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C O N F I D E N T I A L SECTION 01 OF 02 KYIV 001356

SIPDIS

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TAGS: PGOV PREL PINR UP  
SUBJECT: UKRAINE: TYMOSHENKO SAFE, NO CONFIDENCE VOTE FAILS

Classified By: Deputy Chief of Mission for reasons 1.4(b,d).

¶1. (C) Summary. In a nail-biting vote, Prime Minister Tymoshenko was given a reprieve after Party of Regions' resolution of no confidence in the Cabinet failed, garnering only 174 votes. After a lengthy diatribe from Regions MP Azarov, Tymoshenko gave an impassioned defense of her government's work. Speaker Yatsenyuk then reminded the Rada that voting on the fate of the government was the most important decision the parliament could take and if it chose to remove Tymoshenko, the responsibility for the future of the country would be solely on the Rada's head. In somewhat surprising voting results, only 172 members of Regions and two from OU-PSD voted no confidence. The Rada has since moved on to consider budget amendments proposed by the Cabinet and by the President. After the votes, we expect the Rada to adjourn for the summer.

¶2. (C) Comment. Tymoshenko is now technically safe for the summer, but the political situation will remain convoluted. The coalition still formally exists, but it is not clear if it will have enough votes in the fall to accomplish anything without outside help. All sides now have six weeks to regroup and to continue negotiations on possible scenarios for the fall. BYuT, OU-PSD, and the Presidential Secretariat will have to work out their differences or there will continue to be stalemate in September. Although the resolution's failure is a setback for Regions, we expect them to continue to push behind the scenes for a broad coalition, although this may weaken their argument that Yanukovych should be PM. It will also be interesting to see what Tymoshenko might have promised Lytvyn Bloc, and the Communists to a lesser degree, in exchange for not supporting her dismissal. One outcome of the vote's failure is that the specter of new pre-term Rada elections has been pushed down the road -- a result that many MPs, but particularly OU-PSD, must welcome. End summary and comment.

No Confidence Goes on the Agenda

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¶3. (SBU) After being deadlocked all week -- BYuT had been blockading the rostrum around-the-clock July 8-10 and Regions threatened to blockade on July 11 -- the Rada leadership managed to reach a compromise to hold a session on Friday July 11. The agreement was that the Rada would examine three items on its agenda -- Regions' no confidence resolution in the government, budget amendments proposed by the Cabinet and the President, and early local elections in some cities. Yatsenyuk called the session to order around noon.

No Confidence in the No-Confidence Resolution

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¶4. (SBU) Regions submitted its resolution of no confidence on the Tymoshenko government, with the required 150 signatures, on June 20. Under Rada rules, the PM then had 10 days to provide a written report to the Rada on the work of her government, which she apparently did although the report was

not made public. However, Regions MPs on July 11 criticized the report as insufficient and demanded the PM present an oral report on the Rada floor. Tymoshenko and her Cabinet appeared at the Rada as instructed at lunchtime. First, Regions MP Azarov gave a 45-minute presentation on why his faction believed Tymoshenko should be dismissed, then answered questions.

¶ 15. (SBU) Tymoshenko then gave a 15-minute, impassioned presentation defending her Cabinet's work, complete with a power point presentation. She said that the grain harvest would be good this year and that Ukraine's GDP was almost equal to that of Poland's. (Note. Tymoshenko was clearly exaggerating for effect, since Ukraine continues to lag behind Poland in any measure of national output. End note.) She also argued that her Cabinet had only been in office for six months, while Azarov had had eleven years in power (in the Kuchma administration and the most recent Yanukovych government). She said that thanks to those governments, her government had inherited bad roads, schools, hospitals, and airports. She concluded by saying that she was ready to accept whatever decision the Rada took and that she was ready to continue working, but that if the Rada voted against her, it should be prepared to form a new coalition and government.

¶ 16. (SBU) MPs had a chance to ask the PM questions and then faction leaders each got to make a short speech. Lytvyn, who surely knew he carried the swing vote, made a statement that did not give away his hand -- but he called both the government and opposition "liars" and said that they had each presented a version of the "truth" but not the real truth. He said that the issue of policies and who should be in

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government should be discussed in more depth and in a more measured fashion in September. Speaker Yatsenyuk concluded the pre-vote activities with a sternly-delivered lecture to the parliament. Alluding to the technical snafus surrounding the first Tymoshenko confirmation vote in mid-December, he asked all MPs to sit down and get ready to vote, because he would not allow a re-vote. He told MPs that dismissing the government was the most serious decision the parliament could take, and if it was going to happen, a new coalition and government should already have been agreed upon, which it wasn't. Therefore, the Rada was taking onto its shoulders sole responsibility for the future of the country. Regions MP Hanna Herman responded that if Tymoshenko was not removed, the MPs who protected her would bear that responsibility. Yatsenyuk also reminded them that if the government was dismissed and no new government was formed within 60 days, President Yushchenko could dismiss the parliament.

¶ 17. (SBU) After the ten-second vote, Regions came up short -- its faction supplied 172 (out of 175) votes and OU-PSD only two votes (Ivan Plyushch and Viktor Topolov), for a total of 174. BYuT, Lytvyn Bloc, and the Communists did not participate in the vote, and OU-PSD split between votes against and abstentions. Communist leader Symonenko later told the press that his faction had voted against the resolution because they had not received any guarantee from Regions about the format of a new coalition.

Budget up Next

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¶ 18. (SBU) As agreed upon, the Rada has now turned its attention to the Cabinet's budget amendments; Tymoshenko is presenting the government's bill which will be discussed and voted on. If the Cabinet's bill is passed, the issue is completed. If it fails, there is a second budget amendment bill on the floor, submitted by Yushchenko late on July 10. BYuT ostensibly had blockaded the rostrum July 8-10 to demand that the Rada consider the Cabinet's budget amendments before it do anything else, although many in the Rada told us they were trying to prevent the no confidence vote. The Cabinet's amendments were submitted to the Budget Committee earlier in

the week, and the Committee finally endorsed them and sent them to the floor late on July 10. Yushchenko called on the Rada to stay in session until the budget was amended but also threatened to veto the budget amendment law if it was passed as submitted by the Cabinet, prompting some political observers to comment that the President was simply trying to string out the process and prevent the Cabinet from successfully amending the budget. Late at night on July 10, Yushchenko submitted his own budget amendments. Under Rada rules, because the Cabinet's bill was submitted first, it is subject to the first vote -- the second bill only goes to vote if the first fails. One coalition member told us that they had included all of Lytvyn Bloc's amendments in the Cabinet's bill in order to win the faction's support, although Lytvyn said publicly on July 11 that his faction will not vote for it.

Next Steps

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¶9. (SBU) The Rada should close its plenary work for the summer today. Although the Rada is nominally open one more week -- for "constituent work" -- MPs will head off for vacation or engage in other projects. The Tymoshenko government will continue to work. When the Rada reconvenes on September 2, all eyes will be on whether the coalition is functioning, with or without Lytvyn Bloc. The Constitutional Court has so far refused to hear two petitions on the status of the coalition, saying that the issue is not within its purview. There is one more petition pending. If the Court does not take the issue up, the coalition remains intact on paper under the argument that factions, not individuals, form the coalition. BYuT may continue to try to get its defector, Rybakov, removed from the Rada, although the case is now tied up in court.

¶10. (U) Visit Embassy Kyiv's classified website:  
[www.state.sgov.gov/p/eur/kiev](http://www.state.sgov.gov/p/eur/kiev).

TAYLOR